

Manchester City Council Report for Resolution

Report to: Personnel Committee - 28 June 2017

Subject: HR/OD Service Restructure - Final proposals

Report of: Deputy Chief Executive (People, Policy and Reform)

Summary

This report sets out details of the final proposed Human Resources / Organisation Development (HR/OD) restructure following a period of consultation on proposals made in May 2017 and seeks the Committee's approval of the proposed changes above Grade 12

Recommendations

Personnel Committee are recommended:

1. To note the proposed restructure of the HR/OD service in response to a number of previous strategic reviews against organisation requirements
2. To approve deletion of 4 Strategic Business Partners posts and the Head of HROD Service Delivery and agree the establishment of Head of Employee Relations at Grade SS1.
3. Grant delegated authority to the Director of HR/OD acting in consultation with the Deputy Chief Executive (People, Policy & Reform) and the Executive Member for Finance and Human Resources to develop and implement the structures at grade 12 and below.

Wards Affected: All

Financial consequences for the Revenue and Capital Budgets

The changes will all be delivered within the current revenue budget for the service. These changes also support achievement of the service savings target for this budget period and resolve a forecasted financial pressure following the closure of an internal trading account to deliver Agency staffing provision.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The revised HR/OD delivery model will support work across the Our Manchester Strategy outcomes including through:
A highly skilled city: world class	<ul style="list-style-type: none">• An increased focus on creating sustainable

and home grown talent sustaining the city's economic success	<p>employment opportunities for Manchester residents aligned to the organisation's social value commitment and developing apprenticeship strategy</p> <ul style="list-style-type: none">• The development of a strengthened skills and personal development offer for all staff to learn, grow and progress• Work to embed the Our Manchester behaviours across the organisation• Oversight of both the internal and external equalities agenda and delivery of the corporate equalities objectives.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit and work	
A connected city: world class infrastructure and connectivity to drive growth	

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Background documents

Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact the contact Officer

- *Overview & Scrutiny: Human Resources Sub Group 23 March 2017: Human Resources Review*

1 Introduction

- 1.1 The Human Resources / Organisation Development (HR/OD) service is developing an ambitious People Strategy for the Council, to achieve the Our Manchester objectives in the way the workforce is led, resourced and managed. Delivery of the strategy will require a multi-year programme of work across over 20 different people projects and will only be delivered with the right skills and capacity from the HROD service and collective ownership and drive from across SMT and the Wider Leadership Team.
- 1.2 The HR/OD service is also facing a number of practical challenges including a high vacancy base; a savings target for 2017/18 and a requirement to restore service leadership and direction following a long standing vacancy at director level. During this time the service has received two independent reviews, both of which made recommendations for a clear service operating model and fit for purpose structure.
- 1.3 Based on the reviews noted above and further consultation with managers across the organisation and staff within the Service a set of structure change proposals have been developed and refined. These seek to ensure the HR/OD service has the resources and resilience to deliver the people strategy ambition in the context of immediate operational pressures and priorities and organisational strategic direction.
- 1.4 This reports sets out the final service structure. Implementation is underway upto Special Grade level. Changes at Special Grade level are subject to this Personnel committee's approval.

2. Structure changes

- 2.1 The following changes to the current structure, appended, are proposed:
 - An operating model based around 4 tiers of delivery (self service; HR Shared Service Centre (HR SSC); business partnering and strategic projects) and two core delivery objectives of people transactions and organisation development
 - A Departmental management team (DMT) comprising three roles reporting to the Director with clear accountabilities against the operating model, as follows:
 - 1 x Head of HR Operations (Grade 12)
 - 1 x Head of Organisation Development (Grade 12)
 - 1x Head of Employee Relations (SS1)
 - The current five special grade posts (4 X Strategic Business Partners and Head of HROD Service Delivery post) to be disestablished and arrangements to be reviewed for strategic workforce capacity. Any structural changes arising from the review of strategic workforce capacity will be the subject of a further report to Personnel Committee.

- Delivery teams reconfigured below the new DMT in line with existing organisational change principles and, in particular:
 - Postholders to be assimilated to the role that most closely matches their current level of responsibilities and grade.
 - Clear lines of accountability and leadership across all priorities.
 - The in-house agency client function will cease with effect from September as the Council has made arrangements for a third party managed service provider for agency resources. All internal resourcing transactional activity will be transferred to the HR Shared Service Centre and all activity associated with organisation management and learning and events will be secured within the HR team. The intention is that this may be achieved by reconfiguring the roles of current personnel.

- Development of organisation development capacity through:
 - Investment in a joint Organisation Development team with MHCC;
 - Strengthening partnership working with Reform and Innovation and Policy Partnerships and Research
 - A full review of commissioned budgets
 - Appointment to a strengthened internal OD team including new dedicated management capacity.

- A review of vacancies below tier 3 management and early appointment to ensure sufficient resources are in place to support the HR programme of work

- A leadership commitment to the apprentice and development agenda is demonstrated through the appointment of at least 2 apprentices and 2 graduate trainees within the Service

- Dispersal of the current business support team (managed within HR/OD but supporting a broader range of Services) to return resources to the Services they support

- New arrangements to be implemented with a supporting definition of new ways of working and a refreshed leadership standard, aligned to the Our Manchester behaviours; personal development and performance planning and formal evaluation points linked to the About You timetable and annual BHeard survey.

3. Arrangements above Grade 12

- 3.1 The new Structure includes only two roles above Grade 12: The existing Director post and a new position of Head of Employee Relations at SS1.
- 3.2 This new Head of Employee Relations role will lead on delivery of the planned review of HR policies and procedures and associated budget option of

savings from employment policies, terms and conditions. This role will also be responsible for FOIA and SAR data issues; complex advice and employee relations including the consultative framework generally and management of the JCC. This post will not have management responsibilities but may access HR/OD resources as and when required through the Director. Based on established **m people** principles the current Head of HR Service Delivery has been matched to and will be assimilated into this position.

3.3 Three of the four other roles above Grade 12 (Strategic Business Partners) are currently occupied and separate discussions have been underway regarding alternative roles for these post holders to ensure best use is made of their skills in supporting organisational priorities. These individuals will be managed in accordance with **m people** principles and supported personally by the Director in securing alternative roles.

3.4 The budget for the former roles will be retained within the service for commissioning strategic support on a flexible basis when required. Initial priorities are proposed to be:

- The development of skills and capacity within the wider HR /OD service
- Review and enhancement of the council's training provision for leaders, managers and core skills provision, in the context of an integrated apprentice strategy
- Development of our health and wellbeing offer across the workforce, including links with wider public health objectives

3.5 The final service structure is appended.

4. Comments from the Director of HR/OD

4.1 The proposals set out in this report have been co-designed with stakeholders across the organisation, to deliver a new operating model for HR/OD which strengthens clarity of delivery, responsibility and accountability, with resource to secure dedicated strategic capacity as required.

5. Trade Unions Comments

5.1 The Trade Union have been consulted on these changes and their comments will be tabled at the meeting.

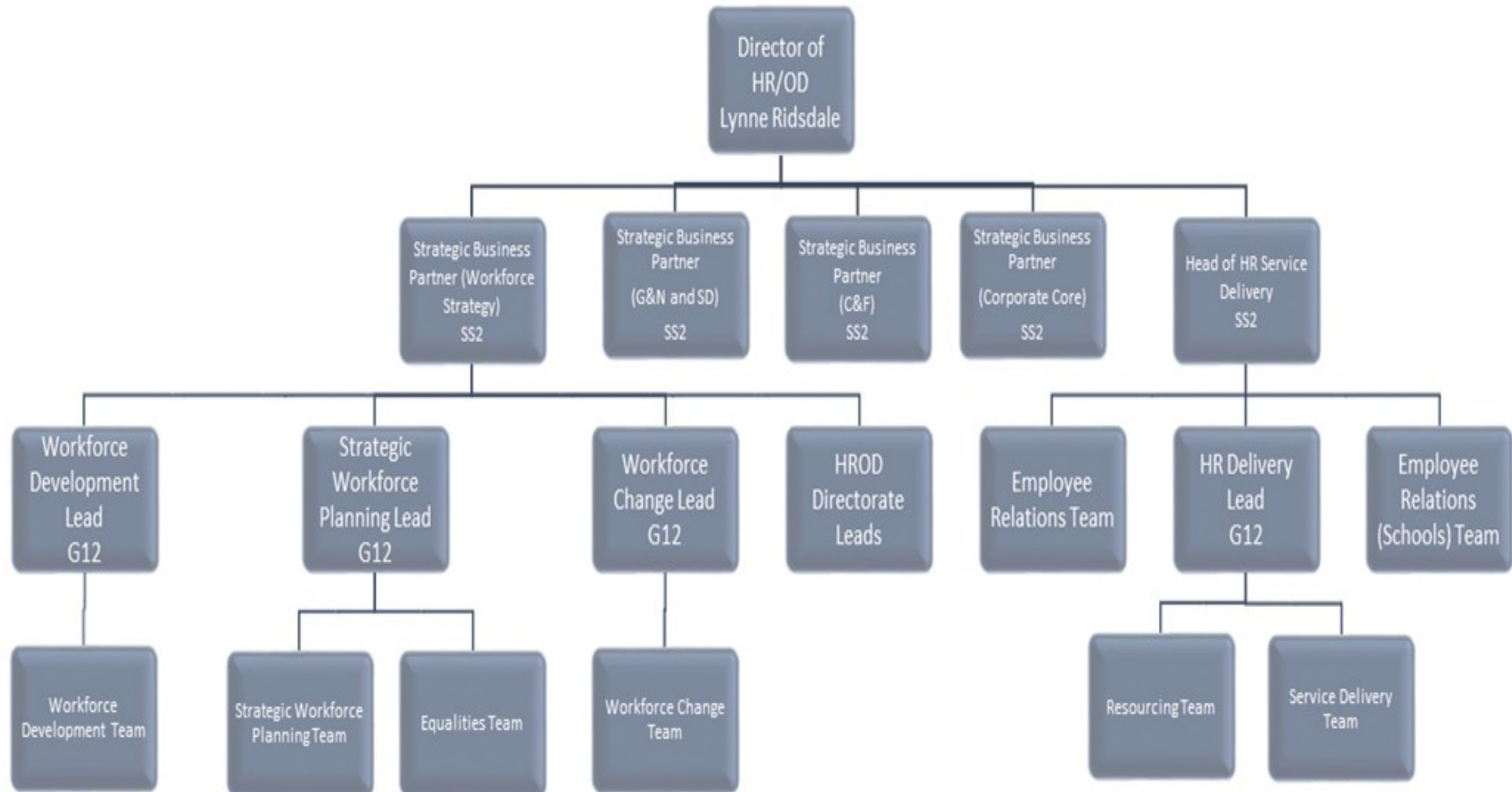
6. Conclusion

6.1 Personnel Committee are asked to:

1. Note the proposed restructure of the HR/OD service in response to a number of previous strategic reviews against organisation requirements.
2. Approve the changes above Grade 12 as detailed within the main body of the report and grant delegated authority to the Director of HR/OD acting in consultation with the Deputy Chief Executive (People, Policy

& Reform) and the Executive Member for Finance and Human Resources to develop and implement the structures at Grade 12 and below. develop

Appendix A: HROD Structure 'As Is'



Appendix : HROD Structure 'To Be'

